



## **PNM Grid Modernization Frequently Asked Questions**

### **Q. What is Grid Modernization?**

In the last fifty years, the electric grid has evolved from a one-way power source to a dynamic multi-functioning system that not only powers our homes but can integrate with all customers to give them control over their energy usage and bills, as well as providing greater opportunities for more rooftop solar. Grid modernization is really focused on providing customers better service and control. And it's not just about supporting more renewables it's also about grid safety, customer value, and tackling climate change. The grid modernization program provides greater reliability, helps our customers save money and energy usage, and facilitates New Mexico's vision for a sustainable energy future. Grid modernization also enables us to manage the grid, so it is stable and reliable as we add more renewable energy onto our grid. Our aging grid just isn't designed for increased power generation and distribution at the household level. What was state of the art 50 years ago, when generation happened in big power plants in remote areas, isn't functional today for adding renewables. Our grid needs to be modernized to keep up with what our customers want today.

### **Q. How will smart meters and grid modernization strengthen reliability?**

Smart meters are a smart choice for New Mexico, and they are an important part of grid modernization. They're simply digital versions of the analog electrical meter attached to a home or business. Smart meters will provide customers the ability to access energy usage information, as well as their solar generation data.

Distribution upgrades on the grid will allow faster responses to outages, sometimes allowing power to be restored remotely without sending a crew. Thanks to smart meters, PNM will know if there's an outage in any given area much faster than ever before, which means we can respond faster than before.

### **Q. How will grid modernization save PNM customers money and energy?**

Residential and business customers will be able to monitor their electrical consumption in real time, allowing them to adjust their usage and avoid unexpected costs. No more guessing or wondering what energy usage is – it's right on the meter display.

### **Q. Will grid modernization help New Mexico transition to a carbon-free future?**

Yes. Grid modernization is an essential step to making our carbon-free commitment a reality. By modernizing the grid, we will be able to integrate more solar capacity into our energy mix.

The improved technology more seamlessly connects renewable energy generated by homeowners throughout the system.



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### **Q. How will grid modernization help protect against cyberattacks?**

Modernizing the grid will strengthen cyberattack defense efforts. The North American Electric Reliability Corp. (NERC) has identified cybersecurity as a major concern. PNM is committed to protecting our customers' data and complying with NERC guidelines.

### **Q. How does grid modernization address energy equity and help low-income customers?**

A proportionately large segment of New Mexico's population is low-income. PNM's Grid Modernization Plan will deploy the technology, like smart meters and distribution system upgrades, to low-income areas first.

### **Q. How does grid modernization affect New Mexico's economy and job growth?**

New Mexico's sustainable energy policies provide a competitive edge. Grid modernization will enhance that edge by providing reliability and integrating more rooftop solar, attracting more businesses to our state that will create new jobs.

### **Q: Will my bill increase because PNM is modernizing the grid? And if so, when will this happen?**

Keeping your bills affordable and your electricity reliable remain our top priority. The charges for the plan will be spread over many years to keep your monthly electricity bills as low as possible.

We estimate that the average customer will see a monthly bill increase of about \$1.20 per month for our average residential customer as a result of the grid investments in the first year, which will not begin until after the Public Regulation Commission approves this application. PNM anticipates the increase will occur no earlier than September 1, 2023.

### **Q: Will I need to pay separately for my new smart meter?**

The costs for replacing your current digital meter with a smart meter are already included in the estimated monthly bill

### **Q: What if I opt out of installing a new meter? Will I still need to pay?**

If you opt out of having a new meter installed and keep your current meter, you will need to pay to have your meter read manually and maintained. This charge will include a one-time charge to opt-out of \$18.60 prior to meter exchange, and \$49.17 after the meter exchange, and then an ongoing monthly charge of approximately \$28.31, depending on the number of customers that choose to opt-out.



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### **Q: How will these meters help me manage my energy bills?**

With a smart meter, you will have more ways than ever to save energy and money. Once PNM's Customer Energy Management Platform is developed and deployed, you will find data from your smart meter on the Platform website or app where you can learn more about when you use electricity the most. You will also have access to more choices than ever to help you save energy and money, including financial incentives for using energy more efficiently.

For example, once fully implemented, you can voluntarily participate in a program to reduce your energy use during peak periods, pay less for electricity during certain times of day, and even earn incentives if you have an electric vehicle (EV) or install a solar/PV (photovoltaic) system.

### **Your Data and Privacy**

#### **Q: Will my smart meter data be private?**

Safeguarding your privacy is important to us. PNM never sells or shares your account or usage information with third parties without your permission. In addition, we continue to invest in robust information technology designed to protect your data.

PNM is also voluntarily adopting the U.S. Department of Energy's Data Guard Energy Data Privacy Program Voluntary Code of Conduct, which helps to protect your information further. ([https://www.smartgrid.gov/data\\_guard.html](https://www.smartgrid.gov/data_guard.html)).

### **About Your New Meter**

#### **Q: Will I need to upgrade any electrical wiring in my home?**

No. The new smart meters are compatible with your home's current electrical wiring and devices.

#### **Q: Will PNM control my energy use with smart meters or other grid modernization technologies?**

No, PNM will not control your daily energy use in your home. The new technology supports reading your meter without the need for anyone to access your property. You will no longer need to unlock fences or put away pets to have your meter read. And, when you move in or out of a house, we can turn your meter on and off at your request, which is much quicker and more convenient than arranging for utility employees to perform this process manually.



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### **Q: Are smart meters safe?**

Yes! The California Council on Science and Technology found that “wireless smart meters result in much smaller levels of RF exposure than many existing household electronic devices, particularly cell phones and microwave ovens.” And unlike these devices, smart meters emit radio frequency only when they transmit data, which typically totals less than one minute per day. (<https://www.whatissmartenergy.org/smart-meters>)

Over the past 50 years, reputable, independent parties have researched this technology and determined that the energy absorbed from smart meter radio frequency is significantly lower than the Federal Communications Commission (FCC) safety guidelines.

### **Renewable Energy Choice**

#### **Q: What role will PNM’s grid modernization plan play in expanding renewable energy choice?**

More than 30,000 PNM customers have installed solar/PV systems in their homes or businesses, and interest is growing. Between 2020 and 2021, applications increased 20%, and solar/PV system connections increased 35%. As more customers evaluate whether solar/PV systems are right for them, smart meter data can help in this decision.

Once fully implemented, customers will be able to review their smart meter data to see when they use electricity the most and whether installing solar/PV and storage would align with their daily usage patterns in a way that makes financial sense.

#### **Q: How does grid modernization affect community solar?**

Grid modernization investments mean PNM can better monitor and manage the grid. Our plans for incorporating advanced technology for monitoring and controlling the grid means that we can better support customers interested in participating in community solar.

PNM's grid modernization plan addresses several critical issues for community solar development. We will be able to better evaluate and plan for connecting solar/PV projects to the grid, and we will also be able to support electric reliability and resilience.

#### **Q: How does grid modernization help with EVs?**

As more customers choose EVs, smart meter data will help ensure the grid can support the new demand.

PNM has also introduced a Whole Home Electric Vehicle rate to encourage customers to charge their vehicles when there is an abundant supply of electricity rather than during periods when electricity demand is high.



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### **Q: Does grid modernization enable vehicle-to-grid or vehicle-to-home?**

Vehicle-to-home is a relatively recent technology that uses a hybrid or fully electric truck (e.g., Ford F-150 Lightning) or SUV (e.g., Kia & Hyundai) as a backup battery or generator to power your home during an outage. Connecting the vehicles to your home involves opening the main breaker, therefore, please consult a licensed electrician and local building permits department for the requirements and permits.

An emerging idea known as vehicle-to-grid (V2G) involves a vehicle sending energy to the grid during normal conditions to provide flexibility. While this technology is still being tested around the U.S., PNM's grid modernization investments provide the foundational capabilities to help support this and other emerging technologies in the future.

### **Reliability**

### **Q: With more extreme weather patterns, how will PNM ensure we continue to have reliable electric service?**

Extreme weather patterns continue to impact the U.S. With the tragic Texas winter outages of 2021 still weighing on people's minds we want to reassure you that our grid modernization efforts help ensure we keep the grid as resilient and reliable as possible.

In addition, we are participating in the Energy Imbalance Market. This means we can sell excess energy to our neighboring states in the West and purchase power when needed to reduce generation supply risks like what Texas has experienced.